

2007-2008 PERFORMANCE PLAN – CHIEF EXECUTIVE OFFICER (Buenrostro)

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Qualitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule	3 rd Quarter Status
50%	Annual Plan Priorities	By June 30, 2008 complete the following strategies to provide industry leadership and attain objectives as identified in Annual Plan Projects under the following major categories:	From Schedule	
		<p>Customer Service</p> <ul style="list-style-type: none"> Continue to implement the Customer Service Experience (CSE) enterprise strategy and methodology to include: Governance, Communication, Marketing, MyCalPERS Member Account profile. 		<p>Upgrades and enhancements continue to be implemented for the My/CalPERS website that educate our customers and stakeholders about our products and services, and provide them with many self-service options. During the third quarter of fiscal year 2007-08, customer education enhancements were made that allow our members to register for classes on-line, take an on-line course, and schedule an appointment with a CalPERS retirement counselor. Recent enhancements also provide our members the ability to view and print their tax statements on-line through our My/CalPERS website.</p> <p>Marketing and communication efforts to educate and inform our members, employers, stakeholders and employees regarding our customer service improvements are ongoing. Information letters regarding the new My/CalPERS enhancements are being mailed to every registered My/CalPERS user. The upgrades will also be featured in the latest PERSpective newsletter and at our Annual Retirement Fairs which begin in May 2008.</p> <p>Third quarter results indicate that Virtual Hold has not only improved customer satisfaction, but saved CalPERS over \$20,500 in costs associated with phone response. This tool has helped to balance out repeat callers allowing the Contact Center to get a realistic count of how many customers are requiring our services. 47,000 callers have participated in Virtual Hold call backs since implementation.</p>

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		<p><u>Customer Service</u> (cont.)</p> <ul style="list-style-type: none"> Implement recommendations from the Customer Contact Assessment to improve the quality of CalPERS customer services, as measured by performance measures and customer surveys. <p><u>Industry Leadership</u> Sponsor, in cooperation with CalSTRS and the Los Angeles pension systems, an Economic Summit to demonstrate the value pension and health benefits and investments to the California economy.</p>		<p>In December 2007, 14 Retired Annuitants were hired to assist with peak call volumes during the hours of 10:00 a.m. to 2:00 p.m. Training was completed at the end of January and they began answering phone calls in February.</p> <p>Third Quarter phone statistics indicate that the combination of Virtual Hold and the addition of Retired Annuitants has improved service levels in all capacities reported:</p> <p>Call Answer: 92% 3rd qtr vs. 81% 2nd qtr. Call Abandon: 8% 3rd qtr vs. 19% 2nd qtr Call Wait Time: 3:44 3rd qtr vs. 8:01 2nd qtr</p> <p>As a result of training received from ICMI and TotalView Workforce Management break and lunch schedules were revised starting in the 3rd quarter and a 4 in-hand approach has been implemented advising phone agents of their schedule for a 4 week period of time. Dedicated breaks and lunches have also been a contributing factor to improved service levels.</p> <p>Service Level Goals and Objectives including weekly totals have been posted in key locations throughout the Contact Center. These goals have been communicated to staff and a team approach to improving them is under way.</p> <p>Completed</p> <p>September 18 & 19, CalPERS, along with CalSTRS, LACERA, LACERS, LA Fire & Police, hosted the California Pension Fund Investments Conference "A Golden Opportunity". The Conference was well received with over 400 attendees, including 115 trustees.</p>

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		<p><u>Health</u></p> <ul style="list-style-type: none"> • Ensure that employee and employer groups are appropriately involved / consulted to: (1) inform the membership on program changes approved by the Board, (2) advise on development of new program changes and directions, and (3) determine what utilization data can be shared with them during rate renewals. • Continue staff efforts utilizing regional councils to inform and engage select communities regarding the cost of health care and what local members can do with CalPERS to make local health providers more accountable and responsive. • Work with the Board and Health staff to develop and issue an RFP to secure an independent benefit consultant. • Implement the recently initiated CalPERS-wide disease management program. This program when fully implemented will provide a consistent level of health outcomes, targets and member/provider incentives with respect to select major chronic conditions. • Assess the feasibility of a single administration model for managing the CalPERS health program. Develop and release an RFI / RFP to gain information on the potential benefits and design of this approach. 		<p>Collaborating with Mercer Consulting staff developed a template of utilization data and shared it with the Board at its January offsite. Questions raised by Board members were responded to at the February HBC. We met with interested constituents on February 14 and reviewed the data. Also provided a forum for the labor constituents to directly present their issues Blue Cross, Blue Shield and Kaiser, in March</p> <p>Several discussions have been held with the executives of Northbay Hospital to encourage their joining the CalPERS HMO network, without success. Consequently, a regional forum for the Solano area is being planned for this year.</p> <p>The RFP process and the contract for the independent Board consultant was completed and awarded to Watson Wyatt in January.</p> <p>Mercer Consulting has worked with staff to develop an integrated disease management program and presented its initial results to at the January Board offsite. Additional developments to the program have been presented at the February and March HBC.</p> <p>The consultant reviews of the RFI responses to the single administrator were completed in early January. Follow-on interviews with the 10 respondents were completed by the end of January. Preliminary work has been initiated for the upcoming Board workshop on this subject.</p>

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20%	Special Projects	<p>Complete special projects identified by the Board, meeting performance objectives established by the Board at the time of assignment. This will include acting on emerging issues in a manner that maximizes the potential benefit and minimizes the risk to CalPERS. Report to the Board on actions taken.</p> <ol style="list-style-type: none"> 1. <u>Health Investment Initiative (HII)</u> Provide direction to ensure that the Innovation Review Committee is established in the Health Branch and that it is properly coordinated with the Alternative Investment Management (AIM) responsibilities. 2. <u>Health IT Strategy</u> Complete development of a Health Information Technology strategy designed to achieve universal electronic data exchange within and amongst CalPERS health care contractors within three years, with the objective of establishing CalPERS as a state and national leader in this area. 3. <u>Public Employee Post-Retirement Benefits Commission (Commission)</u> Direct staff assigned to the Public Employee Post-Retirement Benefits Commission in providing requested pension/health data and support to the commission and following up on recommendations and conclusions of the commission. 	From Schedule	<p>Work this quarter has been focused on establishing the Purchaser Value Initiative which is a select forum of large purchasers both private and public. The initial members of the PVI have been selected and include CalPERS, General Electric, Washington State Healthcare Authority, Wisconsin Employee Trust Fund, and Pennsylvania Employee Benefit Trust Fund. Dr. Jeffery Rideout joined Health Evolution Partners this quarter</p> <p>Substantial time and effort were directed to assessing the viability of CalRHIO as an information exchange in this quarter. Mercer completed a review and presented it to the Board in February. Based on Board direction CalPERS staff, Mercer, Watson Wyatt, and CalRHIO worked to develop an implementation approach. A go-forward recommendation was presented at the March HBC.</p> <p>At the January Board offsite staff presented and discussed the Commission's final report. Also during the 3rd quarter, staff worked with Commission staff and legislative staff in drafting legislative language to address specific recommendations contained in the report.</p>

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15%	Pension System Resumption Project (PSR)	1. <u>PSR</u> By June 30, 2008, complete General System Design, implement the underlying technical architecture and commence application development.		<p>In response to five schedule issues raised by Accenture in December, options for corrective action were presented to the Project Governance groups for consideration. The resulting remedy, approved by the Project Executives on February 1, extends the schedule by nine weeks and increases the overall project budget by 1.5 %.</p> <p>The Joint Application Design (JAD) sessions for General Design completed on January 18; CalPERS invested more than 74,000 staff hours in this effort.</p> <p>The General Design deliverable, which consisted of 15,000+ pages of business process documentation, was published on February 19. The End-to-End Team, 11 Division Coordinators and 70 Subject Matter Experts spent more than 5,000 hours reviewing this design documentation. CalPERS thoroughly reviewed over 90% of the General Design materials, successfully validating that the design addressed all critical CalPERS business functions. The remaining 10%, which represents less critical business processes, was reviewed at a high level and will be re-visited during Detailed Design. No major gaps in functionality or business processes were found in the General Design. This major deliverable is schedule for formal acceptance and approval on April 22.</p> <p>All of the Deliverables associated with Block 1 Application Development were completed during the quarter, including:</p> <p>AD200 – Detailed Design Specifications</p> <p>AD201 – System Test Plan</p> <p>AD202 – Structured Code Review</p> <p>AD203 – System and Interface Test Results Report</p>

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		<u>PSR</u> (cont.)		<p>to perform the requested services for \$15.6 million. SoftSol began work on March 13 at the Rancho Cordova facility.</p> <p>Work Authorization 6 to perform the analysis to define the PSR-related financial requirements was approved on January 17. Drafts of the requirements and gap analysis were published by March 21 and additional detail was added to the requirements by March 28. Approval of these Deliverables is expected by April 7.</p> <p>General Design discussions with the State Controller's Office (SCO) completed in February. They included agreements on the treatment of retroactive contributions and payroll adjustments. Detailed Design discussions began on March 11; over twenty items are under review.</p> <p>PSR and AESB are working together to launch an Employer Outreach Program targeted at ensuring the readiness of public agencies for the PSR Solution.</p> <p>The Data Clean-Up and Integrity Unit (DCIU) corrected over 90,000 errors for the quarter.</p> <p>10. Planning efforts for the conversion of CalPERS 70 million document images are underway. Actual conversions are expected to start in Fiscal Year 2009-10.</p> <p>PSR conducted five educational sessions for the Steering Committee and BOC members focused on: Implementation Strategy, Contribution Reporting Functionality, Navigation Validation, Training Approach, and System Test Approach.</p> <p>The third round of PSR Project information sharing presentations was launched in January. The presentations provided progress updates and a conceptual view of what PSR will look like. Feedback from staff attending sessions was very positive.</p>

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		<u>PSR</u> (cont.)		<p>Employer Advisory Group meetings were held on January 8 and January 10 to brief Employers on the new payroll report format and changes in Contribution Reporting as well as demonstrate new application navigation.</p> <p>As required by the PSR Agreement, CalPERS project, program and technology areas have assigned twenty-eight Core resources to assist Accenture in the preparation of Deliverables and test data.</p> <p>CalPERS implemented an enhanced application development environment in March for use by Accenture's development staff.</p>
		<p>2. <u>Enterprise Transition Management (ETM)</u> By June 30, 2008, increase the awareness of purpose and benefits of ETM across CalPERS by providing change management training to 90 % of CalPERS' executives, managers, and supervisors by December 31, 2007. By January 31, 2008, establish curriculum for change management training for all other CalPERS staff. By June 30, 2008, ensure ETM objectives are met in the areas of change management training, current state assessment, classification review, and skills inventory.</p>		<p>The researching and gathering of initial integration points from the ETM work streams, PSR and IT-Modeling were completed.</p> <p>The Current State Assessment which identifies Division specific current workload and transition themes and issues relating to PSR and ETM was completed.</p> <p>Requirements and functionality for Transition Management Tools were identified to support CalPERS change leaders during the transition.</p> <p>Development has begun on a Manager and Supervisor transition "tool box" to assist management in transition their staff to the new business environment.</p> <p>Administered the Prosci Change Index survey within the ETM team beginning the process of assessing organizational change readiness.</p> <p>Documentation and validation of training assumptions was completed and recommendations were made regarding ETM</p>

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				<p>training strategy.</p> <p>The first phase of the Skills Inventory assessment was completed, which included documentation of the current skills and skill levels in organization units that are impacted by PSR or ETM.</p> <p>Training Coordination Team (TCT) was established to coordinate the planning and execution of training needed to support PSR implementation, potential organization changes, and the current training plans and needs of CalPERS.</p>
15%	Enterprise Leadership and Management Communication	<p>By January 2008, complete a follow up employee survey and assess progress from 2005 survey. By June 30, 2008, identify new and/or continuing areas of improvement and develop an action plan to address these areas.</p> <p>By June 30, 2008 develop a comprehensive career development program to provide employees the knowledge and abilities necessary for successful advancement at CalPERS.</p> <p>By June 30, 2008 develop a plan for furthering our position as a destination employer by:</p> <ul style="list-style-type: none"> • Surveying current employees • Survey local firms for best practices • Develop programs to provide more work life balance 	From Schedule	<p>The results of the 2007 employee survey have been analyzed and in addition to continuing initiatives addressing the 2005 survey, senior management are addressing the one area where staff still believes improvements are necessary. This area is Managing Workload. A cross-functional working group was established to make recommendations to the Executives staff on a path forward to address staff's concerns.</p> <p>A demo of the CalPERS Online Career Planning Tool "CalPERS Step-Up" has been completed. The first phase will be operational by the end of the fiscal year allowing employees to look at what positions they qualify for promotional and transfer purposes both within their direct career ladder and in other CalPERS areas.</p>
100%	Total	Qualitative Measures		